

# FISCAL NOTE

## SB 2705 - HB 2651

February 10, 1998

**SUMMARY OF BILL:** Provides that if a claimant has not worked and earned sufficient wages in his base period to qualify for unemployment insurance benefits, then the claimant's monetary eligibility will be determined by using an alternate base period. The alternate base period shall be the 52 weeks immediately preceding the first day of the claimant's benefit year.

### ESTIMATED FISCAL IMPACT:

**Other Fiscal Impact - Increase Expenditures - \$11.5 Million Calendar Year 1999, \$14.9 Million Calendar Year 2000 and thereafter/Unemployment Insurance Trust Fund**

**Other Fiscal Impact - Increase Federal Expenditures - \$1.2 Million/Recurring \$1.1 Million - One-time**

**Other Fiscal Impact - Decrease Revenues - Exceeds \$300,000 - Calendar Year 1999, \$1.3 Million Calendar Year 2000 and thereafter/Unemployment Insurance Trust Fund.**

**Increase Local Govt. Expenditures\* - Exceeds \$100,000**

#### Assumes that:

1. Changing to a 52 week alternate base period will increase the benefit amount eligible claimants would receive.
2. Requires adjustments to approximately 60 computer programs. Cost estimate also reflects the addition of 17 positions and related expenses and equipment.
3. Interest earnings of the Unemployment Insurance Trust Fund will be reduced, as the result of increased benefits.
4. Increases in the amount of benefits paid to claimants will increase local governments pay in reimbursements or premiums.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

